



Comments on Staff Draft Report: EFFICIENCY PROGRAMS: INCORPORATING HISTORICAL ACTIVITIES INTO ENERGY COMMISSION DEMAND FORECASTS

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May 25, 2011

Importance Of Historical Perspective on EE Program Accomplishments

- California is a recognized leader in Energy Efficiency and its reputation comes from the aggressive CA codes & standards and IOU EE programs.
- Historical perspective documents the achievements of past IOU EE programs that are still part of the IEPR forecast.
- An accurate forecast is necessary to inform the utilities as they plan their resource procurement portfolio.
- It will also inform public policy for the development of next generation of EE programs and appropriate funding levels and budgets.

What Version of Utility EE Program History Should Be Used?

- The CEC should not re-evaluate and re-estimate the historical savings using new unvetted analytical tools.
- Recommendations for savings to be used:
 - Pre-1990 and 1990-1993: IOU reported savings
 - ❖ Not as important they most likely no longer impact the forecast
 - 1994-1998: IOU ex post evaluation results
 - ❖ M&E Protocols were used to develop ex post savings results
 - 1998-2001 and 2002-2005: IOU reported savings
 - ❖ Were applicable, savings were derived from the 1994-1998 ex post results or new work papers were developed
 - 2006-2008, 2009: IOU reported savings
 - ❖ On-going debate regarding the ex post EM&V study results



Attribution Sources of EE Savings

- Traditional Sources of EE Savings:
 - IOU EE Programs savings
 - State Codes & Standards savings
 - “Naturally Occurring” savings, includes free-ridership (Net-to-Gross ratio) in EE Programs
- Significant overlaps exist between estimates of these sources.
- Continuing debate on the accuracy of estimating Net-to-Gross ratios.
- SDG&E posits that it is sufficient to portray historical total EE savings without delineating sources of EE savings.

How To Handle “Savings Decay”

- It is reasonable to assume that replacements for “burned-out” equipment would at least meet existing codes and standards.
- It is reasonable to use the existing measure lives approved by the CPUC in the Database of Energy Efficiency Resources (DEER) to determine lifecycle of equipment and savings.
- The CPUC is investigating more appropriate methodologies for estimating measure lives.
- SDG&E recommends that CEC staff participate in the CPUC process to ensure consistency in final results.

How to Handle 2006-2008/2010-2012 Impacts

SDG&E recommends that the CEC staff use scenarios:

- 2006-2008, 2009
 - Low Case: Use the 2006-2008 EM&V study results
 - Mid-Case: Use methodology approved by CPUC D. 10-12-049
 - High Case: Use IOU reported savings
- 2010-2012
 - Low Case: Use 2009 IEPR forecast
 - Mid-Case: Use CPUC adopted EE savings goals in D. 09-09-047
 - High Case: Use IOU forecasted savings in 2010 Compliance Advice Letters

Concluding Remarks

- It is important that CEC reports continue to support Energy Efficiency state policies and programs.
- Historical estimate of total EE savings is adequate.
- Staff methodology, however, inaccurately depicts the various estimates of savings due to IOU programs, codes & standards, and “naturally occurring”. Therefore it should not be used for any purposes.
- Staff should work with CPUC staff and stakeholders to determine a more acceptable method for estimating attribution and savings decay factors for future programs.